



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

DAVE GOETZ
COMMISSIONER

FOR IMMEDIATE RELEASE
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AUGUST REVENUES

NASHVILLE - State revenue collections for August reflect growth of just over four percent over collections a year ago. Finance and Administration Commissioner Dave Goetz announced today that overall August revenues were \$768.6 million, which is 4.15% over August 2005 collections.

"Tax collections remain strong in the state, reinforcing the healthy business climate we've developed," Goetz said. "The state's wise investments in education, jobs and health care continue to bolster business and consumer confidence, clearly indicated in business creation and expansion - as well as consumer spending."

On an accrual basis, August is the first month in the 2006-2007 fiscal year and collections during August reflect spending that occurred in July.

August collections were \$18.5 million less than the budgeted estimate. The general fund was under collected by \$18.7 million and the four other funds were over collected by \$200,000.

Sales tax collections were \$16.2 million less than the estimate for August. The August growth rate was 4.86%.

Franchise and excise taxes were \$7.7 million below the budgeted estimate of \$35.8 million.

Gasoline and motor fuel collections increased by 3.52% and were \$1.9 million below the budgeted estimate of \$73.1 million.

Inheritance taxes were under collected by \$2.0 million for the month. All other taxes were over collected by a net \$9.3 million.

The budgeted revenue estimates are based on the State Funding Board's consensus recommendation adopted by the second session of the 104th General Assembly in May of 2006.

<p align="center">REVENUE COLLECTIONS AUGUST, 2006</p>
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August Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$645,332,000	\$626,612,000	(\$18,720,000)
Highway Fund	53,150,000	54,252,000	1,102,000
Sinking Fund	25,944,000	25,846,000	(98,000)
City & County Fund	60,180,000	59,364,000	(816,000)
Earmarked Fund	2,452,000	2,491,000	39,000
Total	\$787,058,000	\$768,565,000	(\$18,493,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August			
	2005	2006	Change	Percent
Franchise & Excise	\$33,676,000	\$28,123,000	-\$5,553,000	-16.49%
Income	1,574,000	2,836,000	1,262,000	80.18%
Inheritance & Estate	7,332,000	6,825,000	-507,000	-6.91%
Gasoline	49,046,000	49,728,000	682,000	1.39%
Petroleum Special	5,165,000	5,318,000	153,000	2.96%
Tobacco	12,064,000	10,923,000	-1,141,000	-9.46%
Beer	1,616,000	1,599,000	-17,000	-1.05%
Motor Vehicle Registration	19,174,000	20,778,000	1,604,000	8.37%
Motor Vehicle Title	1,052,000	1,055,000	3,000	0.29%
Mixed Drink	3,787,000	4,196,000	409,000	10.80%
Business	1,079,000	3,081,000	2,002,000	185.54%
Privilege	21,446,000	24,415,000	2,969,000	13.84%
Gross Receipts	12,674,000	13,699,000	1,025,000	8.09%
TVA - In Lieu of Tax Payments	18,039,000	18,344,000	305,000	1.69%
Alcoholic Beverage	2,848,000	2,762,000	-86,000	-3.02%
Sales and Use	532,555,000	558,419,000	25,864,000	4.86%
Motor Vehicle Fuel	14,622,000	16,210,000	1,588,000	10.86%
Severance	128,000	138,000	10,000	7.81%
Coin-operated Amusement	31,000	36,000	5,000	16.13%
Unauthorized Substance	60,000	80,000	20,000	33.33%
Total	\$737,968,000	\$768,565,000	\$30,597,000	4.15%

Table 2
August Revenue Overcollections/(Undercollections)
Budgeted Estimate

	General Fund	Other Funds	Total
Sales Tax	\$ (15,400,000)	\$ (800,000)	\$ (16,200,000)
Income Tax	1,000,000	500,000	1,500,000
Inheritance Tax	(2,000,000)	0	(2,000,000)
Privilege Tax	2,200,000	100,000	2,300,000
Business Tax	1,900,000	0	1,900,000
TVA	0	0	0
Gross Receipts	900,000	0	900,000
Gasoline & Motor Fuel Taxes	(100,000)	(1,800,000)	(1,900,000)
Motor Vehicle Registration	400,000	2,100,000	2,500,000
Other Taxes	100,000	100,000	200,000
Sub-Total	\$ (11,000,000)	\$ 200,000	\$ (10,800,000)
F & E Taxes	(7,700,000)	0	(7,700,000)
Total	\$ (18,700,000)	\$ 200,000	\$ (18,500,000)